

Guidelines for Budget Justification

The budget narrative should include any method used to arrive at the requested amount.

Cost Sharing refers to contributions from the organization or other entities other than the U.S. Embassy. It also includes in-kind contributions such as volunteers' time and donated venues.

Please note that award funds cannot be used for alcoholic beverages.

Personnel: Describe the wages, salaries, and benefits of temporary or permanent staff who will be working directly for the applicant on the project, and the percentage of their time that will be spent on the project.

Fringe Benefits: Employer pension plans, health benefits, or other benefits that conform to an organization's established policy.

Travel: Estimate the costs of travel and per diem for this project, including accommodations, meals, and incidental expenses. Indicate who will travel, where, and why. Document both domestic and international travel and include a brief statement of justification for that travel.

Equipment: Describe any machinery, furniture, or other personal property that is required for the project, which has a useful life of more than one year (or a life longer than the duration of the project), and costs at least \$5,000 per unit.

Supplies: List and describe all the items and materials, including any computer devices, that are needed for the project. If an item costs more than \$5,000 per unit, then put it in the budget under Equipment.

Contractual: Describe goods and services that the applicant plans to acquire through a contract with a vendor. Also describe any sub-awards to non-profit partners that will help carry out the project activities.

Other Direct Costs: Describe other costs directly associated with the project, which do not fit in the other categories. For example, shipping costs for materials and equipment or applicable taxes.

All "Other" or "Miscellaneous" expenses must be itemized and explained.

Indirect Costs: These are costs that cannot be linked directly to the project activities, such as overhead costs needed to help keep the organization operating.

If your organization has a Negotiated Indirect Cost Rate Agreement (NICRA) and includes NICRA charges in the budget, attach a copy of your latest NICRA.

Organizations that have never had a NICRA may request indirect costs of 10% of the modified total direct costs (MTDC) as defined in [2 CFR 200.68](#).

The MTDC base excludes equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs and the portion of each sub award in excess of \$25,000.